

COUNCIL OF THE DISTRICT OF COLUMBIA

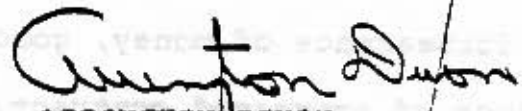
NOTICE

D.C. LAW 4-70

"Consumer Credit Interest Rate Amendments Act of 1981".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 4-138 on first and second readings, October 27, 1981 and November 10, 1981, respectively. Following the signature of the Mayor on December 2, 1981, this legislation was assigned Act No. 4-117, published in the December 11, 1981 edition of the D.C. Register, (Vol. 28 page 5236) and transmitted to Congress on December 11, 1981 for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 4-70, effective March 10, 1982.


ARRINGTON DIXON
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

December	11,14,15,16
January	25,26,27,28,29
February	1,2,3,4,5,8,9,10,11,22,23,24,25,26
March	1,2,3,4,5,8,9

D.C. LAW 4-70
EFFECTIVE DATE MAR 10 1981

AN ACT

D.C. ACT 4-117

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

DEC 2 1981

To amend the allowable interest rates on certain consumer credit and loans, and for other purposes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the "Consumer Credit Interest Rate Amendments Act of 1981".

Sec. 2. D.C. Code, sec. 28-3302 is amended to read as follows:

"Sec. 28-3302. Rate of Interest not expressed and on judgments

"(a) The rate of interest in the District upon the loan or forbearance of money, goods, or things in action in the absence of expressed contract, is 6 percent per annum.

"(b) Interest, when authorized by law, on judgments or decrees against the District of Columbia, is at the rate of not exceeding 4 percent per annum.

"(c) The rate of interest on judgments and decrees, where the judgment or decree is not against the District of Columbia or where the rate of interest is not fixed by contract, shall be 70 percent of the rate of interest set by the Secretary of the Treasury pursuant to section 7 of An

CODIFICATION
D.C. Code,
sec. 28-3302

Act To amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty, approved January 1, 1975 (88 Stat. 2114; 26 U.S.C. sec. 6621) for underpayments and overpayments of tax to the Internal Revenue Service: PROVIDED, That a court of competent jurisdiction may lower the rate of interest under this subsection for good cause shown or upon a showing that the judgment debtor in good faith is unable to pay the judgment. In the case of the judgments entered prior to the effective date of the Consumer Credit Interest Rate Amendment Act of 1981 that are not satisfied until after the effective date of the Consumer Credit Interest Rate Amendment Act of 1981, the rate of interest thereon shall be the rate of interest prescribed in this subsection from the effective date of the Consumer Credit Interest Rate Amendment Act of 1981 until the date of satisfaction."

Sec. 3. D.C. Code, sec. 28-3308(a) is amended to read follows:

D.C. Code,
sec. 28-3308

"(a) On a loan (other than a loan directly secured on real estate or a direct motor vehicle installment loan covered by chapter 36 of this subtitle) to be repaid in equal or substantially equal monthly, or other periodic installments, including a loan obtained by using a check, credit card, or other device to access a line of credit, any federally insured bank or savings and loan association doing business in the District of Columbia may contract for and

receive interest at the rate permitted under this chapter or, in lieu of such interest, a finance charge, which if expressed as an annual percentage rate, does not exceed a rate of 21 percent per annum on the unpaid balances of principal. This section does not limit or restrict the manner of contracting for the finance charge, whether by way of discount, add-on, or simple interest, so long as the annual percentage rate of the finance charge does not exceed that permitted by this section."

Sec. 4. D.C. Code, sec. 28-3602 is amended to read as follows:

D.C. Code,
sec. 28-3602

"Such a bank or savings and loan association may contract for and receive interest at the rate provided for in chapter 33 or, in lieu of such interest, a finance charge which, if expressed as an annual percentage rate, does not exceed a rate of 21 percent per annum on the unpaid balances of principal."

Sec. 5. D.C. Code, sec. 28-3701 is amended as follows:

(a) Paragraph (1) is amended to read as follows:

D.C. Code,
sec. 28-3701

"(1) 'revolving credit account' means an arrangement between a seller or financial institution and a buyer pursuant to which (A) the seller or financial institution may permit the buyer to purchase goods or services on credit from time to time, either directly from the seller or indirectly by use of a credit card or other device, whether issued by the seller or a financial institution, (B) the unpaid balances of amount financed arising from purchases

and credit service and other appropriate charges are debited to an account, (C) a credit service charge if made is not precomputed but is computed on an outstanding unpaid balance of the buyer's account from time to time, and (D) the buyer has the privilege of paying the balances in full or in installments. The term 'revolving credit account' shall not include loans obtained by a person from a financial institution where a check, credit card, or other device is used to access a line of credit."

(b) Paragraph (2) is amended to read as follows: "(2)

'credit service charge' means the sum of (A) all charges payable directly or indirectly by the buyer and imposed directly or indirectly by the seller or financial institution as an incident to the extension of credit, including any of the following types of charges which are applicable: time-price differential, service, carrying, or other charge, however denominated, premium or other charge for any guarantee or insurance protecting the seller or financial institution against the buyer's default or other credit loss; (B) charges incurred for investigating the collateral or credit-worthiness of the buyer or for commissions or brokerage for obtaining the credit irrespective of the person to whom the charges are paid or payable, unless the seller or financial institution had no notice of the charges when the credit was granted."

(c) Paragraph (6) is amended to read as follows:

"(6) 'financial institution' means a person who enters

into an agreement with a buyer whereby the former agrees to extend credit to the buyer and to apply it as directed by the buyer pursuant to a credit card issued to the buyer by the financial institution; and this term includes any 'insured bank' as defined in section 3 of the Federal Deposit Insurance Act, approved September 21, 1950 (64 Stat. 873; 12 U.S.C. sec. 1813) or any 'insured institution' as defined in section 401 of the National Housing Act, approved June 27, 1934 (12 U.S.C. sec. 1724; 48 Stat. 1255) and any subsidiary corporation which is wholly-owned by a financial institution doing business in the District."

Sec. 6. D.C. Code, sec. 28-3702(c) is amended to read as follows:

D.C. Code,
sec. 28-3702

"(c)(1) If the billing cycle is monthly, a credit service charge may be imposed in the maximum amount of 1 1/2 percent. If the billing cycle is not monthly, the maximum charge is that percentage which bears the relation to the applicable monthly percentage as the number of days in the billing cycle bears to thirty. For the purposes of this section, a variation of not more than four days from month to month is 'the same day of the billing cycle'."

"(2) Notwithstanding the terms of any revolving credit account or any other provision of law, a seller or financial institution, with respect to its revolving credit accounts may (A) impose or increase any credit service charge, (B) change the method of computing the balance upon which charges are imposed, or (C) increase the required

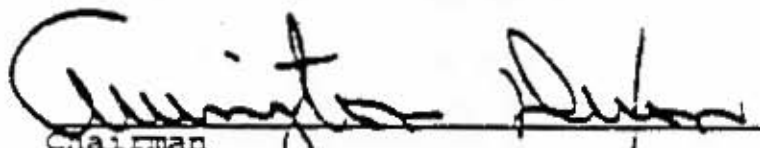
minimum periodic payment: PROVIDED, That the seller or financial institution mails a written notice of the change to each affected buyer at least thirty (30) days before the effected date of the change: PROVIDED, FURTHER, That the seller or financial institution shall permit each affected buyer to repay, under the existing terms, any debt incurred prior to the effective date of the change, unless the buyer incurs additional debt on or after that date or otherwise assents in writing to the changes. This paragraph does not authorize a seller or financial institution to impose a credit service charge in excess of that permitted under paragraph (1).

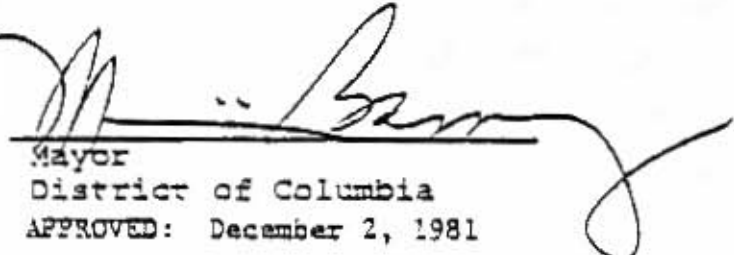
"(3) The notice required by paragraph (2) shall clearly set forth the new term or terms, the corresponding existing term or terms, and the effective date of the change; shall appear on a single document that contains no other information except the changed revolving credit account agreement or other material directly related to the change; and shall be in plain language. The notice shall clearly explain the two options available to the buyer. The options shall be presented more conspicuously than the rest of the notice by, for example, bold-faced type, larger type size or contrasting color."

Sec. 7. If any provision of this act or the application thereof to any person or circumstances is held to be unconstitutional or beyond the statutory authority of the Council of the District of Columbia, or otherwise

invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 8. This act shall take effect after a thirty (30)-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code, sec. 1-233(c)(1)).


Chairman
Council of the District of Columbia


Mayor
District of Columbia
APPROVED: December 2, 1981



COUNCIL OF THE DISTRICT OF COLUMBIA

Council Period Four

First Session

DOCKET NO: B 4-138

Item on Consent Calendar

ACTION: Adopted First Reading, 10-27-81

VOICE VOTE: By Majority, Members Mason and Rolark voted no

Absent: all present

ROLL CALL VOTE:

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHM. DIXON					KANE					SHACKLETON				
WINTER					MASON					SPAULDING				
CLARKE					MOORE, JR.					WILSON				
CRAWFORD					RAY									
JARVIS					ROLARK									

X - Indicates Vote A.B. - Absent N.V. - Not Voting

CERTIFICATION OF RECORD

John P. Brandy
Secretary to the Council

11-20-81

Date

Item on Consent Calendar

ACTION: Adopted Final Reading, 11-10-81

VOICE VOTE: _____

Absent: _____

ROLL CALL VOTE:

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHM. DIXON	X				KANE	X				SHACKLETON	X			
WINTER	X				MASON		X			SPAULDING				X
CLARKE	X				MOORE, JR.	X				WILSON	X			
CRAWFORD	X				RAY	X								
JARVIS	X				ROLARK				X					

X - Indicates Vote A.B. - Absent N.V. - Not Voting

CERTIFICATION OF RECORD

John P. Brandy
Secretary to the Council

11-20-81

Date

Item on Consent Calendar

ACTION: _____

VOICE VOTE: _____

Absent: _____

ROLL CALL VOTE:

COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.
CHM. DIXON					KANE					SHACKLETON				
WINTER					MASON					SPAULDING				
CLARKE					MOORE, JR.					WILSON				
CRAWFORD					RAY									
JARVIS					ROLARK									

X - Indicates Vote A.B. - Absent N.V. - Not Voting

CERTIFICATION OF RECORD

Secretary to the Council

Date